

The complaint

Mr M complains that Wise Payments Limited didn't do enough to prevent the loss he suffered when he fell victim to a safe account scam.

Mr M has used a representative to bring his complaint, but for ease of reading, I'll mostly just refer to Mr M himself rather than the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In October 2021 Mr M was sadly the victim of a safe account scam. A scammer had been able to make it appear as if he was calling from a number connected to Wise which gave Mr M confidence the call was genuine.

Ultimately Mr M was told his account was at risk and was persuaded to make payments to the account details the scammer provided. Between 5 and 8 October 2021 Mr M made three transfers from his Wise account. The largest of these was for £2,005 and together they totalled £4,505. He was told the funds would be returned within 12 hours once his original account was secured. On 11 October 2021, Mr M realised he'd been the victim of a scam and reported this to both Wise and the Police.

Wise contacted the recipient bank but were told that no funds remained. They also said they were unable to reimburse Mr M as he'd made the transfers in question himself and they had no reason to intervene. With the help of a representative Mr M later made a complaint to Wise. When Wise maintained their position, the matter was referred to our service.

One of our Investigators didn't recommend that the complaint should be upheld. Mr M disagreed and asked for an Ombudsman to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm sorry to hear Mr M has been the victim of a cruel and callous scam and that he has lost so much money as a result. But despite my natural sympathy, my role requires that I remain impartial and reach an outcome that is fair and reasonable in all the circumstances. It would only be fair for me to direct Wise to do more, if they are responsible for errors which caused or contributed to his loss.

The Lending Standards Board's Contingent Reimbursement Model (CRM Code) is a scheme through which victims of scams can sometimes get their money back from the banks involved. But it is a voluntary code which Wise haven't signed up to, and they aren't required to do so. As such, the CRM Code isn't a consideration for this complaint.

Wise's first duty is to execute the payment instructions their customers provide. But they also have obligations to be alert to fraud and scams and to act in their customers best interests.

That being said, Wise should be on the look-out for payments that might be being made as a result of a fraud or scam with a view to protecting their customers. So, my next consideration is whether the payments were so unusual, uncharacteristic or suspicious that I think Wise should have done more before processing them.

There is a balance to be struck between stopping and checking payments and facilitating customer's free access to their funds. I've considered Mr M's points that two of the payments were made on the same day. And that the payments were for more than he typically sent from his Wise account. I agree that is the case. But even taking that into account, I don't think the payments relevant to this complaint were so unusual or suspicious that I'd have expected Wise to have done more before following Mr M's instructions. I don't think payments of that nature, made across several days were so indicative of a potential fraud or scam where that is a reasonable expectation.

Unfortunately, it seems to be a common feature of scams like this that the funds are promptly moved on from the accounts into which they were paid. This would seem to be deliberate as an attempt to frustrate recovery efforts. I don't think Wise did anything that impacted what could be recovered from the recipient bank and it's unfortunate that no funds remained.

Again, I'm sorry to hear Mr M has been a victim in this way and I've no doubt as to the significant impact this must have had on him. But as I don't think Wise are responsible for anything that caused or contributed to his loss, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 October 2023.

Richard Annandale
Ombudsman